BRITISH COLUMBIA

BC STATS

Ministry of
Management Services

Dan Schrier
(250) 387-0376
Dan.Schrier@gems3.gov.bc.ca
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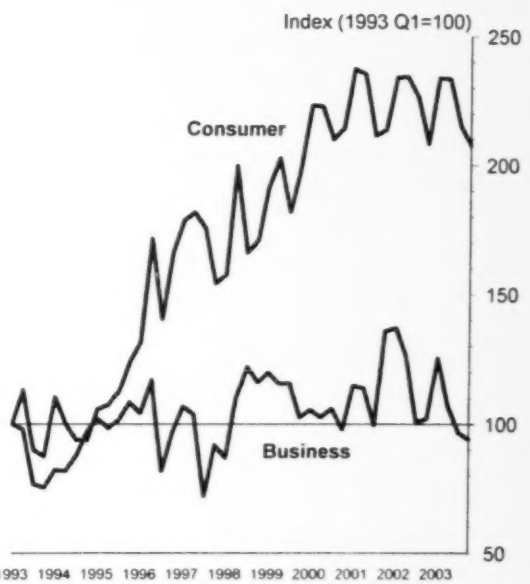
Small Business Quarterly ◆ 4th Quarter 2003

- The number of small businesses in BC (excluding self-employed persons) edged up 0.7% in the fourth quarter compared to the same period in 2002. The increase bumped the average number of small businesses in BC in 2003 to just short of the 2002 average (-0.1%).
- There was a significant expansion in the number of self-employed in BC in the fourth quarter (+4.9% year-over-year). The growth was due to an increase in self-employed without paid help (+7.1%) as those with paid help dipped 0.8%. Over the course of 2003, the number of self-employed rose 2.3% compared to 2002. Once again, self-employed without paid help were responsible for all of the increase (+4.8%) as the number of self-employed with paid help dropped 3.7%.
- Employment in all British Columbia businesses edged up 0.7% in the third quarter of 2003 compared to the same period in 2002. Employment in small businesses climbed 1.6%, while employment in larger businesses (50 or more employees) was flat (+0.1%).
- The number of new business incorporations grew 9.3% in 2003. The 9.4% jump in the fourth quarter (compared to the same quarter in 2002) marked the seventh consecutive quarter in which there has been an increase.
- Business bankruptcies were down again in the fourth quarter, dropping 7.9% compared to the same period a year earlier. Consumer bankruptcies edged down 0.3%. Over the entire year, business bankruptcies experienced a substantial decline (-9.3%) while consumer bankruptcies fell at a more moderate pace (-1.4%) despite low interest rates.
- Chartered bank business loans declined 1.0% in 2003, with most of the drop in small loans of less than $200,000 (-8.8%) and medium loans of up to $500,000 (-6.8%). Loans over half a million dollars actually increased, rising 1.3%.
- The value of commercial building permits issued in BC continued its roller coaster ride, falling 12.4% in the fourth quarter after climbing 33.1% in the third quarter, to end the year 1.2% over the number issued in 2002. Meanwhile industrial building permits grew 6.0% in 2003 with much of the growth occurring in the fourth quarter (+19.8%).

Consumer bankruptcies in British Columbia have soared over the last decade



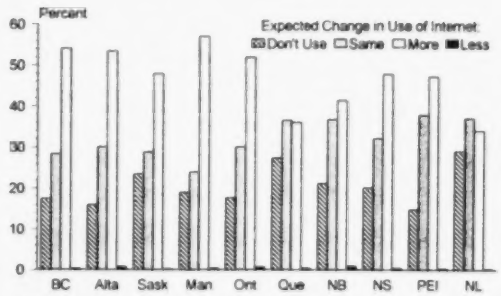
Small Business is Embracing the Internet

In the last decade, the Internet has exploded in popularity, moving away from being mainly a research-oriented system towards becoming a worldwide communication system. In British Columbia, household Internet use expanded from only 33.2% of households in 1997 to 65.7% in 2002.[1] BC has slipped to second among the provinces behind Ontario where 67.4% of households use the Internet. The Canadian average is 61.6%.

For Canada as a whole, e-mail (48.9% of all households) is the most popular use of the Internet, but activities such as purchasing goods and services (15.7%) and obtaining information and making arrangements for travel (30.4%) are becoming more popular.[2] In fact, the percentage of Canadian households purchasing goods and services on the Internet grew from a paltry 1.5% in 1997 to 15.7% in 2002. This points to a significant opportunity for businesses to increase their market share. Since the Internet is worldwide and websites are relatively inexpensive to establish, it offers an expanded market even for small businesses.

A study by the Canadian e-Business Initiative (CeBI) suggests that businesses that adopt Internet business solutions (IBS) will increase their revenues through a combination of cost savings and expanded markets.[3] The study found that firms that implemented IBS increased their revenues, on average, by about 7.0%, while reducing costs by 9.5% for goods sold and 7.5% for sales, general and administrative expenses. With these kinds of economic benefits, it is not surprising that small businesses are embracing the Internet in greater numbers each year. According to a members' survey by the Canadian Federation of Independent Business (CFIB), 54.1% of small businesses in BC expected to increase their Internet use in 2003.[4] Just 17.3% of businesses reported not using the Internet at all. Only Prince Edward Island (14.7%) and Alberta (15.8%) had lower proportions of businesses not using the Internet.

The majority of Canadian small businesses expect to increase their use of the Internet



Source: CFIB, Members' Opinions #52, Jan-Jun 2003

According to the CeBI report, public sector firms were among those with the highest level of IBS adoption, realized some of the most significant savings and had the highest level of satisfaction with IBS investment. This is not all that surprising given data from Statistics Canada that indicates that virtually all public sector enterprises (99.6% in 2002) make use of the Internet compared to only 75.7% of private sector firms.[5] The most significant barriers to adopting

[1] Source: Statistics Canada, Table 358-0002. Household use includes use from any location including home, work, school, etc.

[2] Source: Statistics Canada, Table 358-0006.

[3] Canadian e-Business Initiative, *Net Impact Study Canada: The SME Experience* (November 2002).

[4] Canadian Federation of Independent Business Members' Opinions #52, Jan-Jun 2003.

[5] Source: Statistics Canada, Table 358-0007.

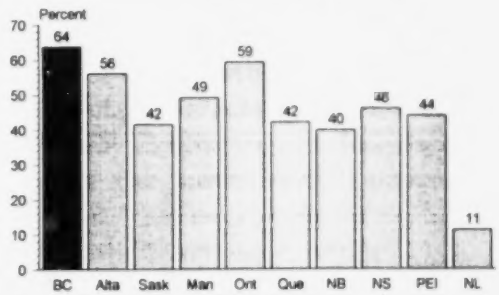
IBS, according to the CeBI report, are the cost of new infrastructure and the time needed to implement projects.

Despite the fact that these perceived barriers were common across businesses of all sizes, it appears that larger businesses have been quicker to overcome these obstacles and adopt the Internet. According to the CFIB's Members' Opinions surveys, at the end of 2001, 96% of Canadian firms with between 100 and 499 employees used the Internet, compared to only 63% of businesses with fewer than five employees.[6] However, growth in Internet use has been strong over the last several years regardless of business size. Usage by the larger firms stood at somewhere around 30% in 1996, while for enterprises with fewer than five employees, less than 15% were using the Internet. For those firms and businesses of all sizes in between, Internet usage rates climbed between 50 and 60 percentage points in just six years.

The CFIB surveys, as well as other studies, indicate that while small businesses may be slower to incorporate the Internet into their business plans, they are nonetheless embracing it. A recent study released by Statistics Canada showed that small enterprises have narrowed the gap in terms of use of basic information and communication technology use compared to larger enterprises, but are still far behind in the adoption of more advanced technology.[7] For example, while larger enterprises are more or less universally using e-mail, small business e-mail use has grown from 56% in 2000 to 68% in 2002, a 12 percentage point jump in just a couple of years. However, small businesses are well behind in establishing web sites, with only 27% having a web site in 2002 compared to 77% of larger enterprises.

The proportion of small and medium-sized enterprises in BC having a web site was 63.7% in 2002, the highest of any province in Canada.[8] However, only 25.4% of businesses were involved in on-line sales, although this is still higher than the Canadian average of 18.7%.

BC businesses are more likely to have a web site than businesses in any other province



Source: CFIB, Members' Opinions #50, Jan-Jun 2002

These figures are much higher than Statistics Canada figures, which place the percentage of Canadian private enterprises selling over the Internet in 2002 at 7.5%, compared to 14.2% of public firms.[9] Nevertheless, the value of Internet sales has grown substantially, expanding by 86.2% (private plus public) in just two years.

There are still some barriers to overcome before Internet commerce will be-

[6] Andreea Dulipovici, *The Impact of Internet Use on Small and Medium-Sized Canadian Businesses during a Recession*, Canadian Federation of Independent Business (October 2002).

[7] Mark Uhrbach and Bryan van Tol, *Information and Communication Technology Use: Are Small Firms Catching Up?* Statistics Canada, catalogue no. 11-621-MIE - No. 009 (February 2004).

[8] Canadian Federation of Independent Business Members' Opinions #50, Jan-Jun 2002.

[9] Source: Statistics Canada, Table 358-0010. The Statistics Canada figures are based on a survey across all businesses while the CFIB survey is of members only, which likely explains the difference.

come more prevalent. Both customers and businesses still have concerns over security and confidentiality, although the advent of better encryption software has helped ease some of those worries. For many businesses, the types of goods sold simply do not lend themselves to transactions over the Internet.

Two issues that have the potential to seriously harm the effectiveness of the Internet as a business tool are the proliferation of malicious viruses and the explosion of e-mail "spam" (i.e., unsolicited mass mailings). Recent evidence indicates that these two issues may be closely related. Many of the viruses currently circulating are using victim's e-mail address books to further propagate the virus and the suspicion is that they are also being used to send out the spam. In other words, the viruses infiltrate computers with backdoor Trojans that allow spammers to take control of the machines and use them to send out massive volumes of spam.

Investigators who have looked into the code of these viruses have discovered threatening messages from one hacker to another. The viruses are sometimes designed to destroy other viruses so that the hacker has monopoly access to the lucrative spam market.

Spam has become such a huge problem that it is expected to comprise 80 per cent of all e-mail sent around the world by the third quarter of 2004.[10] This is more than just a nuisance because it is clogging up bandwidth and increasing costs of e-mail servers, not to mention the effect it is having on employee productivity. One solution that has been suggested is to develop a postage payment system for e-mail. While that would certainly discourage spammers, it would also be costly for business.

Viruses, spam and security issues are all valid concerns for businesses looking to implement Internet business solutions, but based on the number of firms moving onto the Internet and the increasing volume of e-commerce, the benefits of doing business on the Internet outweigh the costs. While small businesses appear to be slower in moving toward using the Internet, they are starting to close the gap between themselves and larger enterprises and are embracing the Internet in greater numbers.

For an example of e-commerce, visit BC Stats' web store at:

http://www.bcstats.gov.bc.ca/store.htm

[10] Sharon Gaudin, *Viruses Blamed for Expected 80% Spam Saturation by Q3,* www.internetnews.com (February 24, 2004).

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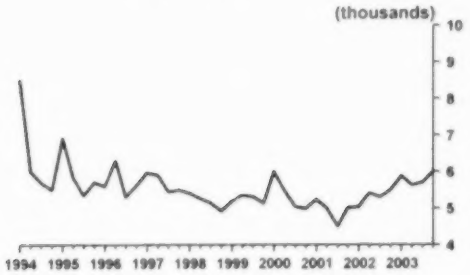
97-3: *'Co-operative Movement Grows Steadily In British Columbia'* (released Jan 1998)

97-2: *'Doing Our Thing In Lotusland – The New Self-Employed In British Columbia'* (released Sep 1997)

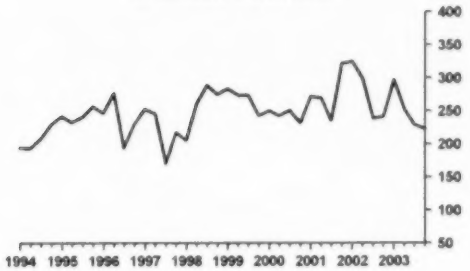
97-1: *'Immigrants Boost Self-Employment In British Columbia'* (released Aug 1997)

Business Counts, Formations and Failures

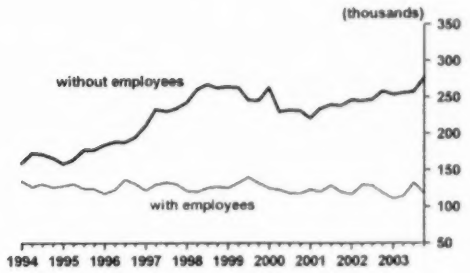
New Business Incorporations in British Columbia



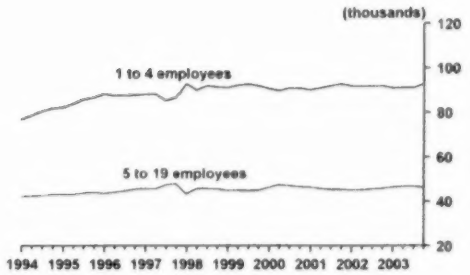
Number of Business Bankruptcies in British Columbia



Self-Employed Persons



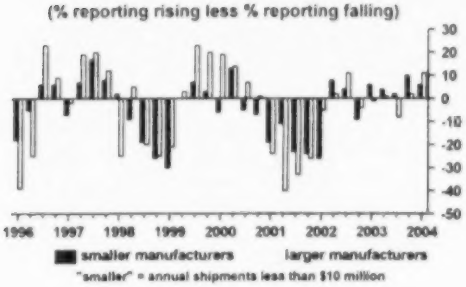
Small Businesses With Employees



Business Conditions

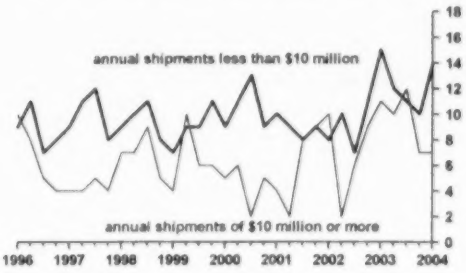
Balance of Opinion on New Orders Received at Start of Quarter

(% reporting rising less % reporting falling)

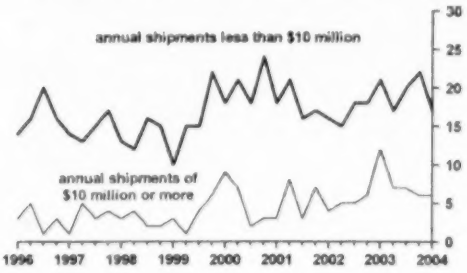


"smaller" = annual shipments less than $10 million

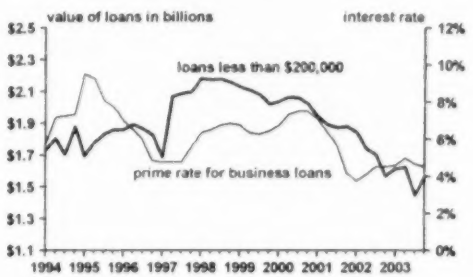
Per Cent of Manufacturers Experiencing Shortage of Working Capital



Per Cent of Manufacturers Experiencing Shortage of Skilled Labour



Chartered Bank Business Loans in British Columbia



Period	Active Employer Businesses [1] by number of employees					Employment [2] by number of employees in business				Self-employed [3]		
	Total	1-4	5-9	10-19	20-49	Total [4]	1-19	20-49	50+	Total [5]	with paid help	without paid help
	('000)					('000)				('000)		
Annual Averages												
1993	131.5	75.3	24.7	16.6	10.2					292.3	130.3	155.7
1994	137.6	79.5	25.3	17.4	10.6					302.8	130.0	168.2
1995	143.7	84.7	26.0	17.6	10.7					302.5	127.3	169.7
1996	148.2	87.9	26.5	18.1	10.8					321.3	127.3	189.3
1997	150.9	87.2	27.5	19.2	11.7					361.4	129.0	225.9
1998	153.7	91.6	26.9	18.2	11.5					388.6	123.6	258.3
1999	154.6	92.0	26.8	18.2	11.9					392.6	132.5	254.9
2000	156.6	90.5	27.5	19.3	13.0	1,567.8	411.8	182.0	974.0	366.1	121.0	239.2
2001	156.9	91.5	27.2	18.5	12.4	1,588.0	411.9	186.3	989.8	360.4	123.1	233.3
2002	156.8	91.8	27.2	18.3	12.4	1,603.9	412.1	193.9	997.9	375.2	123.2	249.1
2003	157.6	91.4	27.8	18.7	12.5	-	-	-	-	383.7	118.7	261.1
% change 2002-2003	0.5%	-0.4%	2.5%	2.2%	0.9%	-	-	-	-	2.3%	-3.7%	4.8%
Quarterly	*End of Quarter*					*Quarterly*				*Quarterly Averages*		
2001 Q1	156.6	90.1	27.4	19.0	12.8	1,566.9	403.7	179.1	984.0	346.9	123.1	221.1
Q2	156.6	91.1	27.3	18.5	12.4	1,601.0	412.9	188.2	999.8	359.2	120.5	234.4
Q3	156.9	92.0	27.1	18.4	12.3	1,596.2	419.5	193.7	983.0	372.4	128.9	239.8
Q4	157.4	92.7	27.1	18.3	12.2	1,587.9	411.4	184.3	992.1	363.2	119.7	238.0
2002 Q1	156.2	91.9	27.0	18.2	12.1	1,564.7	401.2	181.8	981.7	366.1	116.3	246.2
Q2	156.5	91.7	27.0	18.2	12.3	1,608.1	412.4	197.4	998.2	376.0	129.7	245.0
Q3	157.0	91.7	27.3	18.3	12.5	1,617.9	419.6	200.5	997.8	378.7	128.4	246.7
Q4	157.6	91.8	27.3	18.5	12.6	1,624.8	415.0	195.9	1,013.9	380.0	118.6	258.3
2003 Q1	157.2	90.9	27.8	18.6	12.6	1,605.0	405.7	191.2	1,008.1	368.3	110.6	253.8
Q2	157.4	91.0	27.9	18.7	12.6	1,646.9	418.8	203.1	1,025.0	375.0	114.2	256.1
Q3	157.5	91.1	27.9	18.8	12.5	1,629.4	425.0	205.2	999.2	392.6	132.3	257.7
Q4	158.4	92.8	27.7	18.6	12.3	-	-	-	-	398.8	117.7	276.6
% change year-over-year last available quarter	0.5%	1.1%	1.2%	0.4%	-2.7%	0.7%	1.3%	2.4%	0.1%	4.9%	-0.8%	7.1%
Monthly												
Mar-03										375.2	111.9	260.1
Apr-03										371.8	115.1	252.2
May-03										376.2	113.1	258.1
Jun-03										376.9	114.5	258.0
Jul-03										389.6	136.7	250.0
Aug-03										398.9	130.2	265.9
Sep-03										389.4	129.9	257.2
Oct-03										399.1	117.6	278.9
Nov-03										399.2	118.4	274.7
Dec-03										398.0	117.0	276.1
Jan-04										388.9	112.3	273.3
Feb-04										-	-	-
% change year-over-year last available month										6.5%	2.7%	8.4%
year-to-date	-	-	-	-	-	-	-	-	-	388.9	112.3	273.3

Notes:

[1] Source: Business Register

[2] Source: Survey of Employment, Payroll and Hours

[3] Source: Labour Force Survey

[4] Industrial aggregate excluding unclassified

[5] Total self-employed includes persons working in family business without pay

Source: Statistics Canada.
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Period	Business Formation Indicators			Bankruptcies	
	New BC Business Incorporations	Registrations Extraprovincial Companies (number)	Registrations Unincorporated Businesses	Business (number)	Consumer
Annual Totals					
1993	22,955	1,778	15,939	830	4,122
1994	25,774	1,915	18,293	827	4,197
1995	23,846	1,966	19,279	973	4,747
1996	22,848	2,061	20,367	948	6,436
1997	22,958	2,188	19,863	895	7,366
1998	20,759	2,233	19,507	1,031	7,327
1999	21,009	2,366	20,917	1,075	8,179
2000	21,515	2,528	20,822	976	9,181
2001	19,749	2,479	21,306	1,100	9,474
2002	21,262	2,383	22,487	1,105	9,527
2003	23,243	2,544	25,121	1,002	9,393
% change 2002-2003	9.3%	6.8%	11.7%	-9.3%	-1.4%
Quarterly Totals					
2000 Q1	6,011	651	5,626	250	2,354
Q2	5,471	680	5,590	243	2,350
Q3	5,044	578	5,026	251	2,216
Q4	4,989	619	4,580	232	2,261
2001 Q1	5,236	714	5,400	272	2,503
Q2	4,997	663	5,853	270	2,483
Q3	4,504	546	4,959	236	2,232
Q4	5,012	556	5,094	322	2,256
2002 Q1	5,035	604	5,335	325	2,469
Q2	5,417	616	6,220	299	2,472
Q3	5,313	559	5,772	239	2,388
Q4	5,497	604	5,160	242	2,198
2003 Q1	5,878	694	6,878	297	2,467
Q2	5,638	674	6,642	253	2,463
Q3	5,711	547	5,852	229	2,272
Q4	6,016	629	5,749	223	2,191
% change year-over-year last available quarter	9.4%	4.1%	11.4%	-7.9%	-0.3%
Monthly					
Mar-03	1,952	227	2,453	103	879
Apr-03	1,844	216	2,499	92	862
May-03	1,747	220	2,140	68	761
Jun-03	2,047	238	2,003	93	840
Jul-03	1,837	179	2,133	81	821
Aug-03	1,818	170	1,732	61	684
Sep-03	2,056	198	1,987	87	767
Oct-03	2,023	204	2,194	75	827
Nov-03	2,050	206	1,848	73	709
Dec-03	1,943	219	1,707	75	655
Jan-04	2,115	251	2,168	-	-
Feb-04	-	-	-	-	-
year-to-date	2,115	251	2,168	-	-
% change year-over-year last available month	-0.3%	2.9%	-6.1%	-10.7%	4.0%

Sources: BC Ministry of Finance and Corporate Relations, Industry Canada.

Period	Interest Rates			Exchange Rate	Consumer Price Index		
	Bank Rate	Prime Rate	Conventional 5 Year Mortgage	Canadian $ Average Noon Spot Rate	BC	Vancouver*	Victoria*
	(per cent)			(U.S. ¢)	(1992=100)		
Annual Averages							
1994	5.77	6.88	9.53	73.24	105.5	105.7	105.1
1995	7.31	8.65	9.16	72.88	107.9	108.4	107.7
1996	4.53	6.06	7.93	73.34	108.9	109.2	108.7
1997	3.52	4.96	7.07	72.24	109.7	109.8	109.7
1998	5.10	6.60	6.93	67.48	110.0	110.4	110.0
1999	4.92	6.44	7.56	67.32	111.2	111.4	111.1
2000	5.77	7.27	8.35	67.34	113.3	113.9	113.0
2001	4.31	5.81	7.40	64.58	115.2	116.0	114.3
2002	2.71	4.21	7.02	63.69	117.9	118.6	117.4
2003	3.19	4.69	6.39	71.58	120.4	121.0	120.0
% change 2002-2003	N/A	N/A	N/A	12.4%	2.2%	2.0%	2.2%
difference 2002-2003	0.48	0.48	-0.63	N/A	N/A	N/A	N/A
Quarterly Averages							
2001 Q1	5.58	7.08	7.58	65.47	113.5	114.4	112.5
Q2	4.83	6.33	7.67	64.89	115.6	116.3	114.8
Q3	4.17	5.67	7.50	64.69	116.4	117.2	115.4
Q4	2.67	4.17	6.87	63.28	115.2	116.0	114.6
2002 Q1	2.25	3.75	7.05	62.72	116.0	116.8	115.5
Q2	2.58	4.08	7.37	64.35	118.0	118.8	117.5
Q3	3.00	4.50	6.85	63.97	118.7	119.4	118.3
Q4	3.00	4.50	6.80	63.72	118.8	119.6	118.4
2003 Q1	3.08	4.58	6.63	66.26	119.7	120.4	119.3
Q2	3.50	5.00	6.20	71.58	120.3	120.9	119.8
Q3	3.17	4.67	6.28	72.46	120.9	121.4	120.5
Q4	3.00	4.50	6.45	76.00	120.8	121.4	120.5
% change year-over-year last available quarter	N/A	N/A	N/A	19.3%	1.7%	1.5%	1.8%
difference year-over-year last available quarter	0.00	0.00	-0.35	N/A	N/A	N/A	N/A
Monthly							
Mar-03	3.25	4.75	6.85	67.75	120.6	121.2	120.1
Apr-03	3.50	5.00	6.65	68.56	120.4	121.0	119.9
May-03	3.50	5.00	6.15	72.23	120.4	120.9	119.9
Jun-03	3.50	5.00	5.80	73.95	120.2	120.8	119.7
Jul-03	3.25	4.75	6.20	72.38	120.5	120.9	120.1
Aug-03	3.25	4.75	6.35	71.65	120.9	121.5	120.5
Sep-03	3.00	4.50	6.30	73.36	121.2	121.8	120.8
Oct-03	3.00	4.50	6.40	75.65	120.6	121.3	120.4
Nov-03	3.00	4.50	6.50	76.19	120.8	121.4	120.5
Dec-03	3.00	4.50	6.45	76.17	120.9	121.6	120.7
Jan-04	2.75	4.25	6.05	77.16	120.8	121.3	120.6
Feb-04	2.75	4.25	5.80	75.25	-	-	-
% change year-over-year last available month	N/A	N/A	N/A	13.8%	1.5%	1.3%	1.6%
difference year-over-year last available month	-0.25	-0.25	-0.80	N/A	N/A	N/A	N/A

* Census Metropolitan Area

Period	Commercial Building Permits			Industrial Building Permits			Urban Housing Starts	
	BC	Vancouver*	Victoria*	BC	Vancouver*	Victoria*	BC	Vancouver*
	($ thousands)			($ thousands)			(number)	
Annual Totals								
1993	892,174	503,579	70,227	177,800	74,696	4,960	38,173	21,307
1994	1,075,471	632,415	84,002	175,311	69,495	7,963	34,619	20,473
1995	1,023,877	597,580	57,744	247,133	109,178	10,626	23,604	14,992
1996	1,225,837	675,541	88,661	252,646	151,875	5,499	24,744	15,453
1997	1,358,450	849,207	78,280	285,814	163,773	6,777	25,210	15,950
1998	1,311,124	810,117	76,173	273,279	160,652	15,858	17,631	11,878
1999	1,142,105	652,159	101,453	319,145	172,604	5,931	14,176	8,677
2000	1,297,270	868,865	76,834	295,525	147,574	14,763	12,353	8,203
2001	1,171,233	718,860	86,782	221,353	105,178	21,843	15,689	10,862
2002	1,116,741	746,220	104,278	230,119	129,291	9,167	20,315	13,197
2003	1,129,623	607,764	134,420	244,024	90,082	20,451	24,720	15,626
% change 2002-2003	1.2%	-18.6%	28.9%	6.0%	-30.3%	123.1%	21.7%	18.4%
Quarterly Totals								
2000 Q1	310,172	243,234	10,966	60,084	20,194	1,258	2,219	1,527
Q2	363,163	205,899	30,805	83,816	44,182	6,223	3,559	2,468
Q3	336,460	218,441	17,911	78,563	41,930	364	3,310	1,989
Q4	287,475	201,291	17,152	73,062	41,268	6,918	3,265	2,219
2001 Q1	273,963	162,249	23,467	65,245	30,677	9,657	2,946	2,149
Q2	406,173	271,274	26,720	56,965	21,011	2,133	4,619	3,620
Q3	280,778	159,138	15,570	57,121	29,033	7,512	4,176	2,802
Q4	210,319	126,199	21,025	42,022	24,457	2,541	3,948	2,291
2002 Q1	198,407	125,804	18,170	25,849	12,710	2,091	3,659	2,285
Q2	353,724	264,566	28,515	73,400	42,047	3,452	5,279	3,548
Q3	266,902	144,797	41,744	79,205	47,950	2,380	5,934	4,020
Q4	297,708	211,053	15,849	51,665	26,584	1,244	5,443	3,344
2003 Q1	200,086	107,691	27,775	40,679	22,785	1,003	4,206	2,588
Q2	313,669	156,577	29,849	65,985	16,043	1,500	6,097	3,740
Q3	355,162	159,179	54,930	75,441	28,652	12,986	7,678	5,146
Q4	260,706	184,317	21,866	61,919	22,602	4,962	6,739	4,152
% change year-over-year last available quarter	-12.4%	-12.7%	38.0%	19.8%	-15.0%	298.9%	23.8%	24.2%
Monthly								
Mar-03	70,749	30,594	6,208	10,789	5,190	211	1,492	903
Apr-03	103,047	53,760	4,003	36,824	5,057	865	2,197	1,351
May-03	103,919	53,410	7,009	13,091	3,313	128	1,849	1,175
Jun-03	106,703	49,407	18,837	16,070	7,673	507	2,051	1,214
Jul-03	131,182	57,733	14,196	35,241	10,131	10,009	2,621	1,691
Aug-03	98,753	54,779	12,243	16,783	5,973	1,091	2,331	1,509
Sep-03	125,227	46,667	28,491	23,417	12,548	1,886	2,726	1,946
Oct-03	86,520	70,281	1,609	30,595	9,160	4,580	2,812	1,981
Nov-03	93,824	48,471	17,227	20,284	9,467	181	2,122	1,140
Dec-03	80,362	65,565	3,030	11,040	3,975	201	1,805	1,031
Jan-04	107,775	84,062	2,858	6,975	1,989	309	2,365	1,619
Feb-04	-	-	-	-	-	-	-	-
year-to-date	107,775	84,062	2,858	6,975	1,989	309	2,365	1,619
% change year-over-year last available month	31.4%	60.7%	-77.5%	-63.0%	-84.7%	43.1%	100.3%	139.1%

* Census Metropolitan Area

Sources: Canada Mortgage and Housing, Statistics Canada.
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Period	Chartered Bank Business Loans in British Columbia			
	Less than $200,000	$200,000 to $500,000	Greater than $500,000	Total
	($ millions)			
Annual Averages				
1993	1,480	1,003	8,897	11,380
1994	1,779	1,222	8,551	11,551
1995	1,791	1,451	9,043	12,284
1996	1,861	1,508	9,162	12,530
1997	1,985	1,724	10,081	13,790
1998	2,172	1,825	11,077	15,074
1999	2,084	1,710	10,807	14,601
2000	2,045	1,605	10,575	14,224
2001	1,896	1,516	9,746	13,158
2002	1,710	1,393	9,373	12,475
2003	1,558	1,297	9,491	12,347
% change 2002-2003	-8.8%	-6.8%	1.3%	-1.0%
Quarterly				
1996 Q1	1,860	1,487	8,988	12,335
Q2	1,893	1,512	9,094	12,499
Q3	1,864	1,501	9,252	12,617
Q4	1,825	1,533	9,312	12,670
1997 Q1	1,686	1,534	9,853	13,073
Q2	2,068	1,751	9,751	13,570
Q3	2,088	1,770	10,337	14,195
Q4	2,098	1,841	10,384	14,323
1998 Q1	2,180	1,842	11,115	15,137
Q2	2,174	1,842	11,338	15,354
Q3	2,178	1,816	11,104	15,098
Q4	2,157	1,801	10,750	14,708
1999 Q1	2,128	1,792	10,908	14,828
Q2	2,108	1,735	10,975	14,818
Q3	2,080	1,686	10,876	14,642
Q4	2,020	1,627	10,467	14,114
2000 Q1	2,035	1,631	10,636	14,302
Q2	2,063	1,638	10,812	14,513
Q3	2,059	1,586	10,608	14,253
Q4	2,021	1,564	10,244	13,829
2001 Q1	1,942	1,561	10,171	13,674
Q2	1,890	1,539	9,552	12,981
Q3	1,873	1,502	9,599	12,974
Q4	1,879	1,461	9,662	13,002
2002 Q1	1,842	1,484	9,912	13,238
Q2	1,742	1,439	9,897	13,078
Q3	1,702	1,400	9,344	12,446
Q4	1,552	1,247	8,337	11,136
2003 Q1	1,599	1,312	9,159	12,070
Q2	1,626	1,327	9,795	12,748
Q3	1,445	1,292	9,700	12,437
Q4	1,563	1,258	9,311	12,132
% change year-over-year last available quarter	0.7%	0.9%	11.7%	8.9%

Source: Bank of Canada

Period	Manufacturers' Outlook for Business Conditions Companies With Annual Shipments Less Than $10 Million Balance of Opinion at the Beginning of Quarter* (net of positive & negative percentages) Inventory Levels High or Low	Orders Rising or Falling	Anticipated Production This Quarter	Percent of Manufacturers Experiencing Production Difficulties From: Working Capital Shortage	Skilled Labour Shortage	Unskilled Labour Shortage
		(index)			(%)	
Annual Averages						
1994	9	16	15	10	17	1
1995	5	5	6	12	16	2
1996	4	-3	2	9	17	1
1997	4	6	4	10	15	2
1998	8	-13	-7	10	14	1
1999	6	-5	5	9	16	2
2000	8	-1	6	11	20	2
2001	9	-19	-9	9	18	3
2002	1	-6	-1	9	17	3
2003	6	6	10	12	20	3
Quarterly						
1998 Q1	7	2	-8	9	13	0
Q2	7	-9	20	10	12	0
Q3	7	-19	-10	11	16	0
Q4	9	-26	-28	8	15	2
1999 Q1	4	-30	-18	7	10	2
Q2	10	0	23	9	15	0
Q3	6	7	20	9	15	2
Q4	5	3	-4	11	22	2
2000 Q1	4	-6	-8	9	18	1
Q2	10	13	26	11	21	2
Q3	8	-5	10	13	18	2
Q4	8	-7	-4	9	24	4
2001 Q1	6	-19	-10	10	18	2
Q2	13	-11	19	9	21	3
Q3	10	-23	-6	8	16	3
Q4	8	-24	-38	9	17	3
2002 Q1	3	-26	-16	8	16	4
Q2	2	8	27	10	15	2
Q3	-1	4	3	7	18	4
Q4	1	-9	-17	11	18	3
2003 Q1	6	6	2	15	21	3
Q2	6	4	21	12	17	1
Q3	8	2	10	11	20	2
Q4	5	10	7	10	22	4
2004 Q1	7	6	-3	14	17	4

* **Note:** For Inventory Levels, a positive balance indicates too much inventory, and is thus unfavourable. For New Orders and Production, a positive balance of opinion is favourable.

Note: These data are gathered from the *Business Conditions Survey*, which is conducted quarterly in January, April, July and October. Most responses are recorded in the first two weeks of these months. Manufacturers with more employees have a correspondingly larger impact on the results.

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Manufacturers' Outlook for Business Conditions
Companies With Annual Shipments of $10 Million or More

Period	Balance of Opinion at the Beginning of Quarter* (net of positive & negative percentages)			Percent of Manufacturers Experiencing Production Difficulties From:		
	Inventory Levels High or Low	Orders Rising or Falling	Anticipated Production This Quarter	Working Capital Shortage	Skilled Labour Shortage	Unskilled Labour Shortage
	(index)			(%)		
Annual Averages						
1994	9	22	10	10	7	0
1995	2	18	8	5	4	0
1996	40	-8	-7	7	3	0
1997	29	12	12	4	3	1
1998	32	-16	-1	7	3	0
1999	19	6	10	7	4	0
2000	10	10	11	5	5	1
2001	24	-31	-5	6	5	0
2002	15	1	5	7	5	1
2003	16	-2	8	10	8	1
Quarterly						
1998 Q1	42	-25	-19	7	3	0
Q2	33	5	4	7	4	0
Q3	21	-20	12	9	2	0
Q4	31	-25	-1	5	2	1
1999 Q1	28	-21	5	4	3	0
Q2	30	3	6	10	1	0
Q3	11	23	22	6	4	0
Q4	5	20	6	6	6	0
2000 Q1	7	19	12	5	9	2
Q2	19	14	11	6	7	1
Q3	16	7	14	2	2	0
Q4	-4	1	6	5	3	0
2001 Q1	19	-24	-7	4	3	0
Q2	27	-40	4	2	8	0
Q3	37	-33	-9	8	3	1
Q4	14	-26	-7	9	7	0
2002 Q1	15	-5	-2	10	4	1
Q2	13	2	15	2	5	0
Q3	13	11	6	6	5	0
Q4	19	-4	-1	9	6	1
2003 Q1	16	-1	-10	11	12	0
Q2	13	1	17	10	7	0
Q3	21	-8	19	12	7	1
Q4	12	2	5	7	6	1
2004 Q1	5	11	-1	7	6	1

* **Note:** For Inventory Levels, a positive balance indicates too much inventory, and is thus unfavourable. For New Orders and Production, a positive balance of opinion is favourable.

Note: These data are gathered from the *Business Conditions Survey*, which is conducted quarterly in January, April, July and October. Most responses are recorded in the first two weeks of these months. Manufacturers with more employees have a correspondingly larger impact on the results.

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